

AMENDED IN ASSEMBLY APRIL 28, 2010

AMENDED IN ASSEMBLY MARCH 24, 2010

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

## ASSEMBLY BILL

**No. 1804**

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**Introduced by Assembly Member Hagman**

February 10, 2010

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An act to amend ~~Section 1611 of, and to repeal Section 1611.5 of, Section 1611.5 of~~ the Unemployment Insurance Code, relating to employment.

### LEGISLATIVE COUNSEL'S DIGEST

AB 1804, as amended, Hagman. Employment Training Fund.

Existing law specifies that moneys in the Employment Training Fund are to be expended only for particular purposes relating to employment training and related administrative costs, but authorizes those moneys to be used for, among other purposes, loans to the General Fund and also authorizes the Legislature to appropriate from the Employment Training Fund an amount specified in the annual Budget Act to fund the local assistance portion of welfare-to-work activities under the CalWORKs program, in accordance with specified provisions.

This bill would ~~replace those provisions authorizing moneys in the Employment Training Fund to be used for loans to the General Fund and would also repeal those provisions authorizing the Legislature to appropriate that amount in the annual Budget Act from the Employment Training Fund to fund the local assistance portion of welfare-to-work activities under the CalWORKs program. The bill would also provide that moneys in the Employment Training Fund shall not be appropriated for any other purpose other than those specified.~~ *require that moneys*

*in the Employment Training Fund be appropriated only for specified employment training purposes, and would prohibit the use of those moneys for any other purpose. The bill would require that, on or after January 1, 2011, an amount equal to the amount appropriated to the State Department of Social Services from the Employment Training Fund to fund activities under the CalWORKs program, be transferred back to the fund by the department within 3 years from the date of the appropriation. The bill would further require that, on and after January 1, 2011, any moneys that are loaned to the General Fund from the Employment Training Fund pursuant to those provisions be repaid to the fund within 3 years of the date of the appropriation or loan, with interest as provided.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 1611.5 of the Unemployment Insurance  
2     Code is amended to read:  
3     1611.5. (a) (1) Notwithstanding Section 1611, the Legislature  
4     may appropriate from the Employment Training Fund an amount  
5     specified in the annual Budget Act to fund the local assistance  
6     portion of welfare-to-work activities under the CalWORKs  
7     program, provided for pursuant to Article 3.2 (commencing with  
8     Section 11320) of Chapter 2 of Part 3 of Division 9 of the Welfare  
9     and Institutions Code, as administered by the State Department of  
10    Social Services.  
11    (2) On and after January 1, 2011, an amount equal to the  
12    amount appropriated to the State Department of Social Services  
13    from the Employment Training Fund to fund activities under the  
14    CalWORKs program pursuant to paragraph (1), shall be  
15    transferred back to the fund by the department within three years  
16    from the date of the appropriation.  
17    (b) On and after January 1, 2011, any moneys loaned to the  
18    General Fund pursuant to subdivision (d) of Section 1611, shall  
19    be repaid within three years from the date of the appropriation or  
20    loan, together with interest on the loan computed as prescribed  
21    in that section.  
22    ~~SECTION 1. Section 1611 of the Unemployment Insurance~~  
23    ~~Code is amended to read:~~

1     ~~1611. Moneys in the Employment Training Fund shall be~~  
2     ~~appropriated only for the purposes specified in this section and~~  
3     ~~shall not be appropriated for any other purpose. Moneys shall be~~  
4     ~~expended only for the purposes of Chapter 3.5 (commencing with~~  
5     ~~Section 10200) of Part 1 of Division 3, and for the costs of~~  
6     ~~administering this article and Section 976.6, except those moneys~~  
7     ~~may be used for any of the following:~~

8     ~~(a) With the approval of the Legislature, the fund or~~  
9     ~~contributions to it may be used to pay interest charged on federal~~  
10    ~~loans to the Unemployment Insurance Fund.~~

11    ~~(b) Commencing with allocations made to the Employment~~  
12    ~~Training Panel in the 1992–93 fiscal year, any moneys allocated~~  
13    ~~to the panel in a fiscal year that are not encumbered by the panel~~  
14    ~~in that fiscal year, shall revert to the Unemployment Insurance~~  
15    ~~Fund.~~

16    ~~(c) It is the intent of the Legislature that the panel shall closely~~  
17    ~~monitor program performance and expenditures for employment~~  
18    ~~training programs administered by the panel, and that the panel~~  
19    ~~shall expeditiously disencumber funds that are not needed for~~  
20    ~~employment training program completion. Commencing with the~~  
21    ~~1992–93 fiscal year, those moneys that are disencumbered during~~  
22    ~~the fiscal year that are not reencumbered during the same fiscal~~  
23    ~~year shall revert to the Unemployment Insurance Fund.~~

24    ~~SEC. 2. Section 1611.5 of the Unemployment Insurance Code~~  
25    ~~is repealed.~~